

1 **VIRGINIA TOBACCO INDEMNIFICATION**
2 **AND COMMUNITY REVITALIZATION COMMISSION**

3 701 East Franklin Street, Suite 501
4 Richmond, Virginia 23219

5
6
7
8
9 **Southside Economic Development Committee Meeting**

10 Wednesday, December 17, 2014

11 10:30 A.M.

12
13 Hotel Roanoke & Conference Center
14 Roanoke, Virginia

15
16
17
18
19
20
21
22
23
24
25

CRANE-SNEAD & ASSOCIATES, INC.
4914 Fitzhugh Avenue, Suite 203
Richmond, Virginia 23230
Tel. No. (804) 355-4335

1 **APPEARANCES:**

2 The Honorable Thomas C. Wright, Jr., Chairman
3 Mr. John R. Cannon
4 Ms. Mary Rae Carter, Advisor for Rural Partnerships
5 The Honorable James Edmunds
6 The Honorable Maurice Jones, Secretary
7 Department of Commerce & Trade (by phone)
8 The Honorable Daniel W. Marshall, III
9 Mr. Donald W. Merricks
10 Mr. Edward Owens
11 Mr. Cecil Shell
12 The Honorable William M. Stanley, Jr.

13

14 COMMISSION STAFF:

15 Mr. Timothy S. Pfohl – Interim Executive Director & Grants
16 Program Administration Director
17 Mr. Ned Stephenson – Deputy Executive Director
18 Ms. Sarah K. Capps – Grants Program Administrator,
19 Southside Virginia
20 Ms. Stacey Richardson – Executive Assistant

21

22

23

24

25

1 DELEGATE WRIGHT: I'm going to call
2 the meeting of the Southside Economic Development
3 Committee to order. Before we call roll this morning, I'd like
4 to introduce Cecil Shell from Lunenburg County as a new
5 member of the Tobacco Commission. Glad that you're here
6 with us this morning.

7 MR. SHELL: Glad to be here.

8 MR. PFOHL: Mr. Shell will also take part
9 in the Agribusiness Committee meeting this afternoon.

10 DELEGATE WRIGHT: Tim, would you
11 call roll?

12 MR. PFOHL: Delegate Byron cannot be
13 with us today. Mr. Cannon?

14 MR. CANNON: Here.

15 MR. PFOHL: Delegate Edmunds?

16 DELEGATE EDMUNDS: Here.

17 MR. PFOHL: Ms. Gould could not be
18 with us today. Is Secretary Jones on the phone? Perhaps
19 later he'll join us. The Advisor for Rural Partnerships, Ms.
20 Carter?

21 MS. CARTER: Here.

22 MR. PFOHL: Delegate Marshall is on his
23 way. Mr. Merricks?

24 MR. MERRICKS: Here.

25 MR. PFOHL: Mr. Owens?

1 MR. OWENS: Here.

2 MR. PFOHL: Senator Ruff could not be
3 with us. Mr. Shell?

4 MR. SHELL: Here.

5 MR. PFOHL: Senator Stanley?

6 SENATOR STANLEY: Here.

7 MR. PFOHL: Mr. Walker could not be
8 with us. Delegate Wright?

9 DELEGATE WRIGHT: Here.

10 MR. PFOHL: You have a quorum, sir.

11 DELEGATE WRIGHT: Can I have the
12 approval of the minutes of the 9/25/14 minutes, do I have a
13 motion to approve the minutes? All right, it's been moved and
14 seconded. All in favor say aye. (Ayes.) Opposed, no? (No
15 response.) The minutes are approved. So at this time, we'll
16 get right to the business. I'll ask Sarah Capps if she would go
17 through the grant applications for us.

18 MS. CAPPS: Thank you, Mr. Chairman
19 and Members of the Committee. Before us today are nine
20 applications that were received in October for the Southside
21 Economic Development Program deadline. Seven of those
22 projects were recommended for funding and one project was
23 tabled. I'll start off and give more details on the projects.

24 The first one on the list is from the
25 Brunswick County allocation and that would be the Town of

1 Alberta. Their request is for \$205,011 to support a section of
2 0.6 miles of the trail system in Alberta and that's part of the
3 Tobacco Heritage Trail. This trail section is on the former
4 Virginia Railroad line, which does have a two mile section of
5 trail in the Town of Victoria, but it's noted that segment is
6 about 25 miles from the Town of Alberta. This segment of trail
7 is very small and disconnected from the existing trail segment.
8 The staff had to determine whether it would be able to attract
9 visitors or whether it was primarily a community recreational
10 facility and therefore a low priority for the Commission. For
11 this project, the staff is recommending no award.

12 The next project on the list is from the
13 Town of Brodnax and it is the Brodnax Depot Renovation
14 project and it's a request of \$129,383. Thirty percent of the
15 estimated cost would be for acquisition and renovations to the
16 historic railroad depot in the town of Brodnax, which is on the
17 western edge of Brunswick County to serve as a trailhead for
18 the Tobacco Heritage Trail. It is noted that this facility is in an
19 area where there's currently 17 miles of continuous trail
20 systems for the Tobacco Heritage Trail, which is open and a
21 part of the Phase I prioritized segment of trails in Tobacco
22 Heritage Trail master plan. The staff is supportive of this
23 project. The request included \$8,315 for the purchase of ten
24 bikes and related equipment for the town to establish a bike
25 rental business, which the applicant explained is intended to

1 provide a source of revenue for the town. The staff suggests
2 this is a commercial activity, which is better handled
3 attracting private enterprise, which is more consistent with
4 the overall roles and objectives of the trail system and the
5 private sector of economic development. The staff is
6 recommending an award of \$121,030, which excludes the
7 bikes and related equipment costs. Now, the award being
8 contingent on some funding from VDOT.

9 The next project on the list is from the
10 Brunswick County IDA for the Rawlings I-85 Exchange
11 Wastewater Treatment Plant, \$622,118 is requested. This is
12 for the design and construction of the packaged wastewater
13 treatment plant and that would serve current businesses in
14 the area such as Davis Trucking, who plan to meet expansion
15 needs.

16 DELEGATE WRIGHT: Sarah, if we could
17 take just a second to welcome Delegate Marshall and we're on
18 #2976.

19 MS. CAPPs: The staff did inquire of the
20 IDA a number of questions related to the size of the current
21 facility compared to the proposed facility. The current usage
22 and the ownership could be better served. The IDA indicates
23 that they needed some additional time for planning for the
24 facility and in order to be able to respond to questions from
25 staff and they were in agreement with the project being tabled.

1 So therefore, the staff is recommending this project be tabled.

2 The next project is submitted under the
3 Franklin County allocation from the Town of Boones Mill
4 seeking \$238,280 and that's requested for the Boones Mill
5 Industrial Park Revitalization. The Town's goal is to upfit the
6 best manufacturing structure, which is building two and
7 reportedly to accommodate two active prospects. The two
8 prospects are planning to create 24 new jobs and \$910,000
9 will be from private investment. The renovations would
10 provide for 40,000 square feet of space that would be leased to
11 the two companies and there is additional space in that
12 building on the bottom floor as well as the top floor that would
13 be available in the future to accommodate additional
14 prospects. The original request was based on a project cost of
15 \$435,000 from a preliminary architectural study. They've
16 received a subsequent cost estimate, which suggests the costs
17 could be as high as \$600,000. The Town has proposed a plan
18 to refinance an existing loan on the property in order to get
19 necessary funds to complete the renovations. The project has
20 a letter of support from Franklin County and the staff is
21 recommending an award of \$238,280.

22 The next project on the list under
23 Greenville County allocation is the Potable water storage at
24 Exit Four, requesting \$42,865. This is for construction of a
25 10,000 gallon storage tank. You may recall we awarded a

1 number of grants to support the water system, there were a
2 number of grants to support the water system at exit four for
3 the commercial business activity at that location. This storage
4 system is needed to meet the water systems for the restaurant
5 franchise that is located at the site and also provides water for
6 approximately five additional commercial activities at this
7 exchange. The water system includes the retail commercial
8 businesses. Those businesses provide primarily sales to out
9 of state travelers and it is as noted at exit number four, four
10 miles from the North Carolina line. It supports that region of
11 the Tobacco Region and the economy there. The staff is
12 supportive of this request and is recommending an amount of
13 \$42,865.

14 The next project on the list is from
15 Mecklenburg County for the Microsoft Ridge Road Upgrade.
16 The original requested amount was revised to \$1,152,704.
17 The reason for that revision was the availability of additional
18 funds in the county allocation. The county is interested in the
19 full amount that is available to support the widening and
20 paving of the two mile Ridge Road that serves the Microsoft
21 Data Center. This is being matched by a \$2.6 million amount
22 through the VDOT revenue sharing program. And that would
23 be primarily building number six at Microsoft. The
24 construction traffic is currently using that road. The county
25 did commit to paving it as part of the negotiations. Staff is

1 recommending an award of the full requested amount of
2 \$1,152,704.

3 The next project is under Pittsylvania
4 County's allocation for the Town of Chatham's Water
5 Treatment Plant Improvements requesting \$437,075. This is
6 for fifty percent of the project costs and water system
7 improvements to address drought supply planning. The total
8 includes \$205,150 for reservoir improvements providing for
9 ability to access additional water storage during times of
10 drought. \$499,000 of that was for replacement of the raw
11 water intake structure identified to be past its useful life of
12 ninety years as well as approximately \$170,000 for
13 contractual costs including engineering. The staff noted that
14 without making improvements to the water treatment system,
15 the town had approximately 200,000 gallon reserve capacity
16 for their water treatment plant, which is currently permitted at
17 1.4 million gallons per day and it's currently operating
18 substantially under capacity. Without making improvements,
19 they would only have 200,000 reserve capacity. With the
20 requested improvements, they could provide for eight hundred
21 to nine hundred thousand gallons per day reserve capacity.
22 The service area includes the Cherrystone Industrial Park and
23 provides service to the Old Dominion Agricultural Complex
24 and has identified a number of current interests in
25 agricultural development. The staff is supportive of one part

1 of the requested improvements and that is an award of
2 \$205,150 of improvements to the Cherrystone and Roaring
3 Fork reservoirs as described in the PER. These are costs that
4 are directly related to increasing the capacity to serve
5 industrial users.

6 The next project on the list is Pittsylvania
7 County for the Pittsylvania County Career and Technical
8 Center requesting \$721,983. These funds would be used to
9 equip the training areas for two areas mechanics and
10 electricians. This would be used to begin to offer dual
11 enrollment courses for the Danville Community College in
12 partnership would provide one year of credit towards a two
13 year associate of applied science degree.

14 You may recall the Commission provided
15 a \$787,000 grant a couple of years ago to support the
16 precision machine technology dual enrollment program at the
17 existing site. The staff would note this program would be
18 eligible for funding under the Commission's education
19 program where there's a fifty percent match requirement.
20 However, the Southside programs eligibility projects include
21 support of programs and facilities to provide workforce
22 training. The match part for Southside is ten percent and this
23 project is providing seventeen percent matching funds. So,
24 under the education program, the project would be required to
25 provide at least fifty percent match, whereas the Southside's

1 program only requires a minimum of ten percent match. This
2 could be used to attract manufacturing companies to the
3 region and the staff is recommending approval of the full
4 award of \$721,983.

5 DELEGATE WRIGHT: Sarah, I'd just like
6 to note that I understand Secretary Jones is with us now by
7 phone.

8 MR. PFOHL: Secretary Jones, are you
9 with us?

10 DELEGATE WRIGHT: Proceed.

11 MS. CAPPS: Next on the list is from
12 Prince Edward County, Town of Farmville, Regional
13 Aquaculture Processing Facility requesting \$194,000. And
14 this is for the Aquaculture Processing Facility. This project
15 may be familiar to you and the Commission had approved an
16 award previously for a similar project in Charlotte County,
17 which did not work out between the county and it is for an
18 aquaculture processing facility benefitting the private
19 cooperative farmer group and the aquaculture farmer network.
20 It would be operated by another business entity. This would
21 be operated by the Heartland Food Center.

22 The application identifies a 10,000
23 square foot facility, including the 6,000 unfinished square feet
24 that would be available to future vegetable producers. The
25 town has provided a revised estimate to us for a smaller space

1 with 4,750 square feet with an estimated cost of \$500,000
2 that would include about 1700 square feet of office area and
3 3,000 square feet of processing area. The staff would note
4 that this is a 5.3 acre parcel that's shown to be covered in
5 wetlands and this was the site of the former sewer lagoon.
6 The staff is favorable and supporting this request and we're
7 recommending an award of \$194,000 contingent on the town
8 engaging an engineering firm to address site development
9 requirements including wetlands delineation, geotechnical
10 assessment of soil suitability, storm water management and
11 contingent on the town securing financing no later than
12 September 1, 2015 for construction of the building.

13 DELEGATE WRIGHT: Thank you, Sarah.

14 At this time, and this is at the will of the Committee, we'll go
15 through each request separately and take questions and
16 comments from the Committee and then vote. The first
17 project is #2971, Town of Alberta. Any questions or comments
18 concerning this grant request?

19 MR. PFOHL: The planning district
20 commission was involved.

21 DELEGATE WRIGHT: Also including
22 anyone in the audience that wishes to make a brief comment.
23 If not, I'll entertain a motion on request #2971.

24 MR. OWENS: Mr. Chairman, I move we
25 accept the staff recommendation.

1 DELEGATE WRIGHT: We have a motion
2 and a second that we accept the staff recommendation on
3 project #2971. All in favor say aye. (Ayes.) Opposed, no? (No
4 response.) Now I understand Secretary Jones is on the phone,
5 welcome. The motion is carried.

6 Project #2975, the Town of Brodnax.

7 MR. PFOHL: I believe someone is here
8 from Brodnax.

9 DELEGATE WRIGHT: Does anyone
10 desire to speak or wish to address this proposal?

11 MR. DUGGER: My name is Don Dugger,
12 the Mayor of Brodnax. I'll be glad to answer any questions
13 you have.

14 DELEGATE MARSHALL: What we have
15 before us here, could you explain a little bit about the project
16 and what you're trying to do?

17 MR. DUGGER: We have a train depot
18 that's quite dated and it sits in the very center of town and
19 within fifty feet of the Tobacco Heritage Trail. We're on the
20 paved portion from South Hill across to Brodnax and we're
21 also connected to probably a twenty mile portion that goes
22 through Lawrenceville, the non-paved section. We're right in
23 the center of town and right beside Route 58. The project is to
24 renovate the train depot and the trailhead for attracting
25 visitors. It's a really good location and we have some parking

1 and this is an exciting project for the Town of Brodnax and the
2 first project we submitted to the Tobacco Commission.

3 DELEGATE MARSHALL: Mr. Chairman,
4 I've a question. The staff comments estimated seventeen
5 direct jobs. Are these long-term or short term jobs?

6 MR. DUGGER: I think they would be
7 more long-term jobs. I'd have to ask the planning commission
8 who helped us prepare this but I believe they'd be long-term
9 jobs.

10 DELEGATE MARSHALL: What types of
11 jobs?

12 MR. DUGGER: We'd operate the depot
13 and the trailhead and there's a long-term plan to develop the
14 trailhead into a bike rental business, which is not funded in
15 this request and we'd have to have employees for that. We
16 also hope to attract a café and improve the playgrounds
17 nearby so the jobs would surround the growth of this project.

18 MR. PFOHL: Delegate Marshall, maybe I
19 can help a little bit on that. This estimate was provided by
20 CHMURA Economics and Analytics, which is for the Phase I
21 section, which is the seventeen mile stretch from
22 Lawrenceville to Brodnax. Not all the seventeen jobs would be
23 attributed to this project but would be across those three
24 communities.

25 DELEGATE WRIGHT: Any further

1 questions?

2 MS. CARTER: The impact study that was
3 done, how long ago was that?

4 MR. PFOHL: I think about four to five
5 years ago.

6 MS. CARTER: You mentioned this bike
7 rental proposal and the depot and the café, is that correct?

8 MR. DUGGER: In the depot or the café
9 or adjacent to the café and right around there.

10 MS. CARTER: Have you had any
11 conversations with anyone along those lines?

12 MR. DUGGER: We've had some interest
13 in developing that parking and there's very little on Main
14 Street downtown but there is property available. The trailhead
15 is attracting a lot of people and visitors that we haven't seen in
16 a small town of Brodnax. That activity is creating interest in
17 commerce.

18 MS. CARTER: Have you had a
19 conversation with anyone that's in the bike rental business
20 that would be interested in doing something along those lines?

21 MR. DUGGER: Not as of yet but our
22 initial effort and we want to have the bike rental station or
23 we'd have a bike rental station where you could park your car
24 and then pick up the bike. As time goes on, we would try to or
25 hope to see this move in the direction of a bike shop.

1 MS. CARTER: Is this what you would
2 describe as an anchor for the depot to get customers there?

3 MR. DUGGER: Yes, ma'am.

4 DELEGATE WRIGHT: Senator Stanley?

5 SENATOR STANLEY: Mr. Mayor, I notice
6 the request you're making here from us thirty percent of the
7 construction costs, you all have secured the other 66 percent?

8 MR. DUGGER: Depending on the VDOT
9 grant.

10 MS. CAPPS: In their application, they did
11 clarify that, with the expectation.

12 SENATOR STANLEY: So it's fair to say
13 then that the seventy percent we're looking at has not yet been
14 secured by VDOT and you're hoping that your application will
15 be granted to rehabilitate this?

16 MR. DUGGER: That is correct.

17 DELEGATE WRIGHT: The staff
18 recommendation says contingent upon the approval of VDOT.
19 Any further questions? If not, I'll entertain a motion on
20 #2975.

21 MR. OWENS: I move we accept the staff
22 recommendation.

23 MR. CANNON: Second.

24 DELEGATE WRIGHT: I have a motion
25 and a second, a motion and a second to accept the staff's

1 recommendation. All in favor let it be known by saying aye.
2 (Ayes.) Opposed, no? (Two nos.) Let the record reflect that
3 we have two nos. Therefore the motion passes to accept the
4 staff recommendation.

5 Next is #2976 the Brunswick County IDA
6 Rawlings I-85 Exchange. The staff recommendation is to table
7 this request. Anyone in this audience that would like to make
8 a comment? If not, do I have a comment or a motion from the
9 Committee?

10 DELEGATE MARSHALL: I make a
11 motion that we accept the staff's recommendation.

12 MR. OWENS: Second.

13 DELEGATE WRIGHT: We have a motion
14 and a second to accept the staff's recommendation to table
15 this project, grant #2976. All in favor say aye. (Ayes.)
16 Opposed, no? (No response.) The motion carries, grant #2976
17 is tabled.

18 Grant #2969, Town of Boones Mill
19 Industrial Park Revitalization Project. Any questions or
20 comments from the Committee members?

21 MR. OWENS: Is this contingent on
22 financing being in place also?

23 MS. CAPPS: They have to have financing
24 in place and enter into a construction contract.

25 DELEGATE WRIGHT: Any further

1 questions from the Committee?

2 DELEGATE MARSHALL: Mr. Chairman,
3 it looks like somebody wants to speak to this.

4 DELEGATE WRIGHT: All right, please
5 come forward and state your name.

6 MR. NESTER: Members of the
7 Committee, ladies and gentlemen, I'm George Nester
8 representing the Town of Boones Mill and I'm accompanied
9 today by the mayor and thanks for the opportunity to be here.
10 I'm available to answer any questions that you might have.

11 DELEGATE WRIGHT: Any further
12 questions from the Committee?

13 SENATOR STANLEY: Mayor, we're
14 talking about the old modular home facility that you all have.

15 MR. NESTER: That's correct.

16 SENATOR STANLEY: Where are you
17 right now in terms of revitalization? I know it was in good
18 shape in some areas, where are you right now?

19 MR. NESTER: That's right. There's a
20 complex there that's comprised of approximately seven
21 buildings. This building adjoins that property that was
22 acquired by the Town. The Town Hall is in better shape than
23 the buildings that are there. It's still a significant amount of
24 money to invest in the building. After some businesses were
25 closed, we lost 160 jobs and we had to begin at the bottom.

1 This is a long haul and not an overnight fix and it will be a
2 gradual ascent. We have an opportunity to make a project
3 work for us.

4 The job numbers aren't large. Twenty-
5 four jobs to the Town of Boones Mill is a significant number of
6 jobs and \$900,000 plus of private investment.

7 SENATOR STANLEY: With this money
8 and the prospects being good, you're taking the best building
9 on that property right now and doing the renovations
10 necessary to do the project?

11 MR. NESTER: That's correct.

12 SENATOR STANLEY: How much
13 commitment from the Town will there be?

14 MR. NESTER: The Town's commitment is
15 close to a half million dollars.

16 SENATOR STANLEY: Thank you.

17 DELEGATE WRIGHT: Thank you, sir, for
18 your leading questions. Any further comments or questions
19 from the Committee?

20 SENATOR STANLEY: I move that we
21 accept the recommendation of the staff for the Town of Boones
22 Mill.

23 MR. OWENS: Second.

24 DELEGATE WRIGHT: We have a motion
25 and a second for this recommendation Town of Boones Mill.

1 All those in favor say aye. (Ayes.) Opposed, no? (No
2 response.) The motion carries to accept the staff's
3 recommendation on project #2969 the Town of Boones Mill.

4 Next we have grant #2974, Greenville
5 County Potable Water Storage Exit Four. Any questions from
6 the Committee? Anyone from Greenville would like to make
7 a comment?

8 MR. PFOHL: Mr. Chairman, I don't want
9 to overemphasize this point but as was mentioned in the staff
10 recommendation, this is clearly a commercial/retail
11 beneficiary on this project. As most of you hopefully know, we
12 steer away from doing commercial/retail creating basic jobs
13 that earn income that then support a retail enterprise and
14 that's been our focus. This very clearly is a different situation
15 here. This is an I-95 interchange that is surrounded by
16 farmland and not a neighborhood commercial retail. It very
17 clearly is oriented to Interstate 95 traffic. With previous
18 funding we've provided Greenville, they created a truck stop,
19 a convenience center and pretty substantial operation there
20 with jobs and attracting some of that East Coast traffic coming
21 into Greenville County.

22 I want to reinforce that distinction here
23 why we're supporting utilities that serve commercial
24 enterprises.

25 MR. MERRICKS: I move we accept the

1 staff recommendation.

2 DELEGATE MARSHALL: Second.

3 DELEGATE WRIGHT: I think it's
4 important to explain that because we have to be careful not to
5 step over the line in supporting commercial activity. Mr.
6 Merricks made a motion that we accept the staff's
7 recommendation and seconded by Delegate Marshall. All
8 those in favor say aye. (Ayes.) Opposed, no? (No response.)
9 The motion carries.

10 Next is #2968 Mecklenburg County,
11 Microsoft Ridge Road Upgrade Project. Any questions or
12 comments from the Committee members?

13 DELEGATE MARSHALL: Currently they
14 have ninety jobs and are going to create an additional ninety
15 jobs?

16 MR. PFOHL: Yes.

17 DELEGATE MARSHALL: How much
18 money has the Commission invested in this project?

19 MR. PFOHL: These have been primarily
20 through the TROF system but mostly through Southside
21 Economic Development to initially build the Boydton Plank
22 Road Industrial Park acquired and developed almost fifteen
23 years ago. Then to acquire some additional land more
24 recently as well as to provide some water infrastructure to
25 serve the cooling needs of Microsoft. It's been substantial but

1 I believe Microsoft has invested over \$2 billion in this project.

2 DELEGATE WRIGHT: Any questions
3 from the Committee? The comment I would like to make and
4 from the staff remarks here it says the continued expansion of
5 Microsoft through the construction of building number six will
6 create an additional ninety jobs with private investment of
7 \$350 million. This expansion not only benefits the citizens of
8 Mecklenburg County but also the nearby counties of Halifax,
9 Charlotte, Lunenburg and Brunswick will benefit. I'd just like
10 to point out this is a very bright spot for Southside Virginia. I
11 see Wayne Carter is here.

12 MR. WAYNE CARTER: I'm Wayne Carter
13 from Mecklenburg County, here to answer any questions that
14 you all might have. The investment of \$350 million is just for
15 the buildings.

16 DELEGATE MARSHALL: The current
17 ninety jobs, what kind of jobs are these? Are these IT jobs?
18 What's the pay of these jobs and future jobs?

19 MR. CARTER: The majority of them are
20 probably not IT jobs. There's a small number of Microsoft
21 employees and there are employers that work there full time.
22 In the data center, we have the security staff and people that
23 work for Dell and HP and work on the servers there. We have
24 a large electrical staff. They have HVAC people and plumbers
25 to keep the entire system operating on a daily basis 24 hours

1 a day. There's also people that pull these lines and replace
2 them so that's about the majority of them. They pull wires
3 and do connections to servers and splice wire. Everything
4 including security, housekeeping. They don't do the programs
5 there, the data center and processing. I think we have seven
6 different employers.

7 DELEGATE WRIGHT: Any further
8 questions?

9 MR. OWENS: What kind of impact does
10 that have on your expansion of your tax base?

11 MR. CARTER: For the personal property
12 there was tax rebate to get Microsoft here. It has increased
13 our tax base and we've been putting money back from that tax
14 base into the project also. The VDOT grants and also some
15 local funds on this project. We're actually investing back into
16 it. We had to do upgrades to the water and sewer.

17 MR. OWENS: So you think it's been a
18 positive impact?

19 MR. CARTER: Yes, it has been positive.
20 A hundred percent on the real estate and rebate them as part
21 of the project 2.5% on personal property but it's been a
22 positive impact.

23 DELEGATE WRIGHT: Any further
24 questions from the Committee?

25 SENATOR STANLEY: My question is we

1 have invested significant amounts since this project started.
2 It seems like there's a one million dollar request from the
3 County itself to upgrade. Is the County right now even with
4 that increased tax base, are you all short on revenue that you
5 can't furnish yourselves and that's why you come to us?

6 MR. CARTER: We've had surpluses every
7 year, sir, and we're coming forward as part of the project and
8 this is to upgrade, state not county.

9 SENATOR STANLEY: With regard to the
10 Ridge Road itself, how much is Mecklenburg County putting in
11 just for the, I know we've talked about VDOT revenue sharing
12 match of \$2.6 million but how much is Mecklenburg County
13 putting in for the construction of that road to upgrade that
14 road. A million from us, how much is Mecklenburg putting
15 in? How much skin do you have in this?

16 MR. CARTER: Let me have a second.

17 MR. PFOHL: From the application,
18 \$529,000.

19 DELEGATE WRIGHT: Any further
20 questions, Delegate Marshall?

21 DELEGATE MARSHALL: I think it's a
22 great project. Are we going to set a precedent by working on
23 roads? What if Pittsylvania County has a road that needs to
24 be paved that will take the allocation? This is a different
25 situation here though and the \$1.7 or close to \$1.3 million

1 project here.

2 DELEGATE WRIGHT: There's some
3 precedent for this sort of thing and I think there was a project
4 in our last meeting and I can't recall all of it but entrance into
5 a farm or park.

6 MR. PFOHL: Yes, typically we have
7 awarded funds when it is basically an industrial access road,
8 we did the Kane Creek Center, something of that nature. This
9 is a little bit of new territory for us to improve the state road.
10 However, it is technically used by the contractors and
11 employees now. Presumably, VDOT with this investment and
12 job creation at that site.

13 DELEGATE WRIGHT: I think VDOT
14 revenue sharing program has been used.

15 MR. CARTER: We won't have the answer
16 to that until they make their recommendations in June. This
17 is the only access to the property because Microsoft and
18 because this is an active operating data center won't let the
19 construction go through that because of safety concerns and
20 the only access is through the back. There's no other way to
21 get to it.

22 DELEGATE WRIGHT: Thank you. I take
23 it that there's no question about the need and the benefit,
24 which has been greatly demonstrated. We're talking about at
25 least ninety jobs and a \$350 million investment. I think it's

1 positive and has merit. If there's no further questions, then at
2 this time I would ask for a motion.

3 MR. OWENS: I make a motion that we
4 accept the staff's recommendation.

5 DELEGATE WRIGHT: Do I have a
6 second? All right. I have a second. The motion has been
7 made and seconded that we accept the staff recommendations
8 on grant #2968. All those in favor say aye. (Ayes.) Opposed,
9 no? (No response.) Motion carries. Thank you.

10 The next item of business is the Town of
11 Chatham Water Treatment Plant Improvements, project
12 #2967. Any comments from staff or the Committee? I will call
13 on anyone in the audience. Any questions from the
14 Committee? All right, those in the audience that wish to
15 speak to this project come forward and state your name.

16 MR. BYRD: My name is Roy Byrd. Our
17 town is looking for help with water and sewer. Many times
18 towns are and Chatham is no different. We thank you for the
19 staff recommendation and thank you for this project and a
20 couple of years back you helped us with a project and that
21 showed great improvements. The purpose of this request is to
22 repair and part of it is the intakes for our water plant. To give
23 you a little history, there's no industry in the central part of
24 Pittsylvania County that gets any water from what we call Dry
25 Bridge. Dry Bridge is in Pittsylvania County in the agriculture

1 center. No water moves through that part of the state unless
2 it comes through the Town of Chatham Water Plant. As we go
3 forward from here today and if you fund water projects for
4 poultry or anything in Pittsylvania County at the current stage
5 that water has to come through Chatham and the intake area
6 needs upgrading. If you can tweak this recommendation any,
7 it would be appreciated. In the future, if you're looking to
8 develop anything out our way, you're going to have to help.
9 There's going to be problems if we don't. This project was put
10 together 875,000, the town fifty percent. You don't get water
11 from the base of White Oak Mountain and Dry Bridge unless it
12 comes through Chatham.

13 Your next solution and it's coming, who's
14 going to fund it, I don't know. There's going to have to be a
15 new single source of water to handle that part of the state. I
16 have a colleague of mine with me, Joe Rodgers, who's a past
17 mayor and a retired professional engineer with the Army
18 Corps of Engineers and I'm sure he'd like to make some
19 comments.

20 DELEGATE WRIGHT: Please come
21 forward for some brief comments and state your name, please.

22 MR. RODGERS: I'm Joe Rodgers and I
23 was a mayor of the Town of Chatham and I appreciate this
24 opportunity and I'll try to be very brief. Roy has basically said
25 all the potable water in this region of Pittsylvania County

1 comes through the water plant at Chatham. What we need to
2 do with this project is improve the viability of this system and
3 in addition to that there's two reservoirs upstream on
4 Cherrystone Creek and this project is trying to develop that
5 and we just don't have that at this point in time. We don't
6 have this done and especially when you consider the drought
7 situation. This is all critical to the region and it would more
8 than double our capacity to get this project done. We
9 certainly appreciate all the help we can get. To capsulize that,
10 all the water that comes through the two reservoirs, all the
11 water in the region comes through that plant. Anything we
12 can do to increase the capacity, all that would be very helpful.
13 Thank you.

14 DELEGATE WRIGHT: Thank you. Any
15 further comments?

16 SENATOR STANLEY: Mr. Byrd –

17 MR. BYRD: You're going to have to speak
18 up. I'm just old now and deaf.

19 SENATOR STANLEY: No one ever
20 accused me of mumbling.

21 MR. BYRD: We used to sit in the
22 basement and watch TV and mom would come to the top of
23 the steps and now we've got hearing aids.

24 SENATOR STANLEY: What is the
25 condition right now of the downstream dam? Were there

1 issues with its deterioration?

2 MR. BYRD: You mean the downstream
3 dam?

4 MR. RODGERS: I know there's three
5 dams in question, I want to make sure what we're talking
6 about. The two major reservoirs, those reservoirs have to be
7 upgraded, they have to meet the DCR requirements at this
8 point in time. We've entered into an agreement with the
9 NRCS, the conservation service. They did the original design
10 on this structure. The structure's in good shape except the
11 spillway capacity. The NRCS has undertaken the design and
12 studies associated to increase the capacity. That work is due
13 out in 2017. At that point, we anticipate the town will have to
14 find a way hopefully in cooperation with the NRCS to modify
15 the spillways. The dams otherwise are in excellent condition
16 other than the spillway capacity.

17 SENATOR STANLEY: Thank you.

18 DELEGATE MARSHALL: I see that in our
19 notes here there has not been any discussion with USDA as
20 far as getting a loan for this. Was the Tobacco Commission
21 the first stop?

22 MR. RODGERS: I have not been involved
23 directly in the grant process.

24 MR. BYRD: My guess is that it is
25 probably so. If we have to go through another agency or we'll

1 have go to through bonds. It's kind of hard to do the bond
2 issue for a small town like Chatham or wherever it is and
3 we're pumping water for the whole area. When you have to
4 pay for the bond and if you have to take it out of the Town of
5 Chatham from the tax base and it's not there.

6 DELEGATE WRIGHT: I think the
7 Delegate's point is that the Commission wants to be sure that
8 any other available funds are used or applied for along with or
9 in addition to the Tobacco Commission funds.

10 MR. BYRD: And go to the Virginia
11 Resource Authority, all kinds of agencies do this.

12 MS. CAPPS: Mr. Chairman, we did speak
13 with USDA during the review process and they have received
14 the PER from Dewberry and Davis for this project. The PER is
15 the preliminary engineering report. They just haven't received
16 the actual application.

17 DELEGATE MARSHALL: Mr. Chairman, I
18 noticed in the staff comments and I asked this question. Does
19 the current rate for water for the Town of Chatham, 5,000
20 gallons per month and that cost was 2375 but compared to or
21 it's 2834 based on the Virginia water, waste water, so your
22 point about the taxpayers in Chatham would be paying for
23 this so maybe the rate needs to go up and so people outside
24 the town could also pay for the cost of the water.

25 MR. BYRD: We understand that.

1 DELEGATE WRIGHT: I think Secretary
2 Jones has a question.

3 SECRETARY JONES: On this question
4 about other resources available, I'm curious about whether
5 the application was submitted to our Virginia Resources
6 Authority, which is in the business of lending to towns and
7 municipalities for these kinds of projects.

8 MR. BYRD: We are aware of them and
9 we have been through them in the past. The town currently
10 carries about a \$1.7 million bonding project that's tied to the
11 water system, continuously to upgrading the water system.
12 That bond issue I think was some twenty years ago. Small
13 towns are pretty limited to what they can do. We could raise
14 the rate but that question's been asked before.

15 DELEGATE WRIGHT: Mr. Secretary, do
16 you have any follow-up?

17 SECRETARY JONES: As I understood
18 the answer, the answer is no, we did not approach the Virginia
19 Resources Authority about this project, is that right?

20 MR. BYRD: Not at this point, sir. If this
21 falls through, then we will.

22 DELEGATE WRIGHT: Anything further
23 Mr. Secretary?

24 SECRETARY JONES: No, sir, that's all I
25 wanted to know. Thank you.

1 MR. BYRD: Mr. Secretary, this is small,
2 \$850,000. As I said previously, there are projects out there
3 that are facing you folks in the future because of agricultural
4 development, we're going to need another source of water.

5 DELEGATE WRIGHT: Any further
6 questions or comments?

7 SENATOR STANLEY: This is one
8 question. Chatham is requesting \$437,000 and the
9 recommendation is \$205,000, the difference being or we're
10 saying that the raw water intake improvements aren't related
11 to the industry and the increase in the reservoir capacity is
12 related, is there a distinction there? If you can't take the
13 water in, you can't improve the capacity.

14 MS. CAPPS: The \$499,000 project and
15 this is a structure that is 97 years old and there will have to
16 be some improvements.

17 MR. PFOHL: A follow-on to that is does
18 the 205 increase their ability to pull water from the reservoir.

19 SENATOR STANLEY: Which doesn't help
20 the industry –

21 MR. PFOHL: It will have capacity to serve
22 future industries but not an immediate moneymaker, just
23 reserving capacity.

24 MR. OWENS: The water and sewer as an
25 enterprise should pay for itself if at all possible. It looks here

1 at the rates this town or that this town or the people there are
2 paying for is close to twenty percent less than the average
3 across the Commonwealth, is that correct?

4 MR. RODGERS: Yes.

5 MR. OWENS: Water and sewer has a
6 user fee, it's not a tax base, based on the users and the users
7 should pay for it.

8 MR. MERRICKS: The staff is
9 recommending \$205,000 and I'm not sure that's going to do
10 anybody anything. I know they have deferred maintenance.
11 And I'm very familiar with deferred maintenance. Sometimes I
12 call it neglect. Over the years, they need to give their reserves
13 money to do some of these upgrades. I'm wondering if we
14 would be better served to let them pursue the other avenues
15 and then if we can make up some difference, that's fine. But
16 I'm not sure this is going to do a whole lot of good. I'm
17 wondering if we should table this and let them do all their due
18 diligence and then if the help is needed do it at that time.

19 DELEGATE MARSHALL: Exactly.

20 MR. MERRICKS: So I would make a
21 motion to table it for the time being because I'm not sure this
22 is going to do a whole lot of good.

23 DELEGATE WRIGHT: A motion has been
24 made and seconded to table this request from the Town of
25 Chatham and let the town pursue other avenues for funds and

1 then come back to us at a later date. Mr. Secretary?

2 SECRETARY JONES: I think they've got
3 to go to other resources or go to the VRA before coming back
4 to us.

5 DELEGATE WRIGHT: I think that was
6 one of the items or intended to be included and also USDA
7 and any other funds that could be acquired.

8 SECRETARY JONES: Okay.

9 DELEGATE WRIGHT: Thank you for
10 that. A motion's been made and seconded. All those in favor
11 say aye. (Ayes.) Opposed, no?

12 SENATOR STANLEY: No.

13 DELEGATE WRIGHT: Record one no vote
14 and the motion carries, we'll table the request. The next item
15 is #2970 Pittsylvania County Career Technical Center
16 Industrial Maintenance Technology Program. Any comments
17 or questions from the Committee? Delegate Marshall?

18 DELEGATE MARSHALL: A few of us on
19 this Committee have made a trip over to the Career Technical
20 Center to get information on this. I see we've got someone
21 from Pittsylvania County here. To me, this is filling in a part
22 of the, if you remember a year or so ago we had Boston
23 Consulting do a synopsis of where we are as far as jobs and
24 jobs that we have a vacancy for. They have a successful
25 machine program in the same facility that young men and

1 women can go two years at high school and get college credits
2 and go through a community college and mom and dad will
3 only have to pay for a year or so. If it gets more people in the
4 field, that's a great idea in working on that. I think that will
5 do the same thing that this program does as far as industrial
6 maintenance, electrical, hydraulics and those types of things
7 that the industries in our area have a need for but also for
8 economic development that industry is looking for people like
9 that and they can maintain manufacturing facilities for this
10 program. Mr. Greg Sides is here if you want to hear from him.

11 DELEGATE WRIGHT: Anyone that wants
12 to make some comments, please step forward and identify
13 yourself.

14 MR. SIDES: Greg Sides, assistant county
15 administrator of Pittsylvania County. One thing I've learned is
16 when not to speak, and I think Delegate Marshall gave you
17 some good background information and also a very good
18 explanation. I'll just simply answer any questions anyone
19 has.

20 MS. CARTER: Can you explain to me
21 again, staff, why this is not under education?

22 MR. PFOHL: We've also for more than a
23 decade said that projects like this that would be eligible for
24 education and economic development are a priority for the
25 locality that they could submit that information and then the

1 Committee would consider it. In this case, we've been funding
2 this center over the last year or so. But Pittsylvania has more
3 industrial parks than the New York Yankees have pinstripes.
4 They've got some great industrial sites scattered around the
5 county and distributed in the county and this is a priority now
6 to fill those industrial parks with workforce.

7 DELEGATE MARSHALL: Again, Mr.
8 Chairman, we've crossed this bridge before maybe two years
9 ago and we started a machine program through this
10 Committee and this Committee took part in the application
11 and they have a site in the same building that they're teaching
12 young men and women. Again they get school enrollment for
13 the community college and they get college credits for taking
14 this. Pittsylvania County is really only training maybe 25
15 machinists in a year's time and that's from Boston Consulting.
16 Now they're pushing with this program plus 75.

17 MS. CARTER: I certainly understand
18 that. I'm a little concerned that every time the Education
19 Committee is out of money then anybody in workforce comes
20 through here.

21 MR. PFOHL: Actually Education will be
22 around in the spring of 2015 and there is a substantial
23 balance there. They are not out of money yet.

24 MR. OWENS: The previous money that
25 went to the, did it come from Economic Development?

1 MR. PFOHL: Southside.

2 MR. OWENS: All of it?

3 MR. PFOHL: Yes.

4 MS. CARTER: Did that purchase the
5 equipment?

6 DELEGATE MARSHALL: That's correct.
7 There was a match from Pittsylvania County also.

8 MS. CARTER: I was a little concerned
9 about the precedent but if Education doesn't have money to
10 deal with a specific project, they'll come here so where do we
11 draw the line? I think this is a very worthy project, don't get
12 me wrong Greg but I'm just concerned about the Tobacco
13 Commission moving this way and the reason for it.

14 MR. SIDES: One thing I think is a little
15 bit different here from the traditional education and as Tim
16 has mentioned, we have resources in terms of the industrial
17 parks that kind of lay the groundwork and foundation for
18 economic development. The key factor that is missing is that
19 skilled workforce. We decided now that we need to develop
20 that workforce and this is a joint effort with the City of
21 Danville and Pittsylvania County; we're sitting down and
22 working together. And also, linking up with the two Centers of
23 Excellence. We're developing a strategy right now, what is it
24 industry needs in terms of the skilled workforce and we can
25 provide that and that's going to be a key to the economic

1 development. So rather than just education, our key strategy
2 is going to be not just that we have an industrial workforce
3 but that we have the skilled workers. So I think that's slightly
4 different from the traditional education program.

5 MR. PFOHL: To further address Ms.
6 Carter's point, actually I think the precedent has been set
7 already because over the last several years the Southside
8 program has funded construction of education centers in
9 Franklin, Halifax, Mecklenburg, Greenville and I may be
10 missing some, Cumberland and some other places. We have
11 acknowledged putting in the infrastructure for workforce
12 training is a function of economic development. I'm just
13 making that observation.

14 DELEGATE WRIGHT: There's been a
15 good point raised and a good discussion because we need to
16 make sure we're headed in the right direction and that we are
17 consistent. Any further comments or questions from the
18 Committee?

19 SENATOR STANLEY: I move that we
20 accept the staff's recommendation.

21 DELEGATE WRIGHT: We have a motion
22 and a second to accept the staff recommendation to fund this
23 project for \$721,983. All in favor say aye. (Ayes.) Opposed,
24 no? (No response.) The motion carries.

25 The next item is #2972 Town of Farmville

1 Regional Aquaculture Processing Facility. They're requesting
2 \$194,000. Any questions or comments from the Committee?
3 Anyone in the audience like to come forward and be heard?

4 DELEGATE MARSHALL: At the bottom of
5 page eleven, the staff recommends an award of \$194,000 and
6 then continues on the following page. Can you explain that a
7 little bit more?

8 MS. CAPP: As was mentioned in the
9 staff comments, the proposed site for development is a 5.3
10 acre parcel that is shown as being wetlands and also a site of
11 a former sewage lagoon. During the review process, the staff
12 had asked the town for a third party engineering estimate and
13 site development costs. The town responded that they plan to
14 contribute that aspect to the project through in-kind services
15 from the town. We were concerned that there was a gap there
16 between the services the town would provide and what is
17 required by law, by federal and state law to meet site
18 development requirements including the delineation of
19 wetlands. We also were concerned that because the parcel
20 was identified as having wetlands and being a former lagoon,
21 whether the soils were suitable for construction and the
22 geotechnical questions, the engineering aspects.

23 DELEGATE WRIGHT: Any further
24 questions or comments?

25 SENATOR STANLEY: This is a question,

1 it appears usable space for processing for this would only be
2 3,000 square feet. You ask for more and then drastically
3 reduced it. I believe 10,000 was the original request and then
4 cutting it back to 3,000. Why were they going that way, what
5 processing capacity does 3,000 square feet have?

6 MS. CAPPs: I'll clarify the square footage
7 and then I'll let the representative from the town address need
8 for office space. The original proposal for 10,000 square feet
9 provided for 4,000 square feet of aquaculture processing and
10 then an expanded area of 6,000 square feet that was intended
11 to attract vegetable processing. That was in the original
12 application that we had seen from Charlotte County, which
13 was the design of that project. Some aspects of this in the
14 application were a bit confusing and Charlotte County's
15 application content was submitted to us. The application we
16 did receive initially included an estimate for 6,000 square foot
17 building construction estimate. We asked the town why 6,000
18 square foot was needed, why the increase in space was needed
19 and the town's approach was to reduce it to the minimum that
20 was needed to satisfy the processing needs. I'll refer to a
21 representative from the town.

22 MR. PFOHL: The staff had encouraged
23 them to eliminate unfinished space because it was not an
24 urgent priority. That came out when this project was initially
25 looked at and we encouraged them to hone it down to what

1 was needed.

2 DR. BLACKWOOD: I'm Dr. Lynn
3 Blackwood, Chairman of the Virginia Aquaculture Network
4 and have been involved in this project for a long period of
5 time. I'm here because the account manager could not make
6 it from Farmville so I came to hopefully answer any questions
7 you might have about the facility.

8 SENATOR STANLEY: We've been very
9 concerned about agriculture and forestry development. Have
10 you all made any application to them because the building or
11 the processing where the town and the industry come
12 together, the town matches with funds and state funds
13 involved, that sounds like a perfect candidate for AFID funds.

14 DR. BLACKWOOD: We are with AFID
15 and they're very supportive of what we're trying to do. This is
16 a little bit different because a year ago this project came before
17 you in Charlotte County and we were attempting to put
18 everything in place there but that got disrupted and we found
19 another locality and the Town of Farmville looks like a very
20 fine place for us to be. We are working with AFID, the cost of
21 the building or this processing facility is a unique situation
22 because it's bringing a commercial kitchen designed by
23 Virginia Tech and a processing facility, which is state of the
24 art and FDA approval and a fertilizer operation. We're going to
25 take all of our waste now and convert it into liquid fertilizer

1 and we're trying to be as efficient as possible here.

2 This will be the first of its kind in the
3 country. What it does for us while working with USDA and
4 we've been at this for quite a while, USDA, Rural Development
5 and USDA will also be working with us and the Rural
6 Business Enterprise Grant. The cost of the building is
7 \$500,000. These funds you give us is going to go toward that
8 construction. We're going to supplement that and we have a
9 period of time to do so and we're going to work hard to make
10 sure that we get to that figure. Then we'll have another
11 application before agribusiness. This is something that is
12 growing. That's affecting a lot of farmers in the footprint.

13 SENATOR STANLEY: Three thousand
14 square foot of processing capacity, how much capacity do you
15 need to do this processing, how much capacity in terms of
16 processing do you need? I'm talking about the capacity to
17 expand.

18 DR. BLACKWOOD: We honed this thing
19 down at the staff's request to make sure that we're not going
20 beyond what we actually need right now. We're trying to build
21 it so it can be expanded. The town has given us the land and
22 also has given us the sewage and water hookups and electrical
23 hookups. They're going to fund the geotech study to make
24 sure the soil is appropriate, the site is sound and make sure
25 we move in the right direction.

1 SENATOR STANLEY: What is the total
2 cost of the state of the art kitchen to get this 3,000 square foot
3 processing plant erected?

4 DR. BLACKWOOD: The total cost of the
5 project is right at a million dollars.

6 SENATOR STANLEY: Thank you, Mr.
7 Chairman.

8 MR. OWENS: You have a long term plan
9 on how to phase in the plan and that type of thing?

10 DR. BLACKWOOD: Yes, we do. What
11 we're doing now is this group of aquaculture farmers that
12 we've put together, there's 21 of us now and they're spread
13 over Southside. They're producing catfish, rainbow trout,
14 bass and freshwater shrimp. They're spread out. What we're
15 doing is we're bringing all of those products in so we don't
16 have to shop all these products out to be processed effectively
17 to enter our market. This would allow us to do everything on
18 site. It also would allow us to bring in other producers,
19 aquaculture producers throughout the state. We're increasing
20 our numbers and opening up new markets. With this here it's
21 going to allow us to take our fillets and turn them into ready
22 to eat products. That would be allowed with that commercial
23 kitchen and with FDA approval would be able to ship across
24 state lines and open up a whole new set of markets for us.

25 DELEGATE WRIGHT: Any further

1 questions? Let me just comment that this is big business for
2 Southside Virginia and I'm aware of several people in the
3 aquaculture business, catfish in particular is a valuable item.
4 As far as the staff, do you have any further comments about
5 any questions posed by Senator Stanley?

6 MR. PFOHL: Yes, we have been working
7 with the Virginia aqua farmers for several years primarily
8 through the agribusiness program. We have funded
9 marketing and producer cost-share programs and so forth.
10 We need to be very clear this is a for-profit business. The
11 request here today is from a local government to put up a
12 building that they would then rent to this for-profit business
13 and potentially turn it over to the for-profit business at some
14 point. Dr. Blackwood mentioned that there's also a request
15 before Agribusiness that will be heard this afternoon for the
16 equipment to go into this facility. We've worked very closely
17 with these folks over the years and encouraged them to go
18 after some other resources like AFID and the USDA program.
19 We know there are gaps on the equipment side, funding and
20 building side and we don't want to presume what AFID would
21 like to fund. We want to try to support the project. AFID
22 requires matching funds and we're eligible for a portion of the
23 matching funds for AFID. So there's a strong incentive to go
24 to AFID and we're trying to encourage that in every way
25 possible.

1 DELEGATE MARSHALL: What is the
2 request that would be before the Agriculture Committee?

3 MR. PFOHL: The request is for
4 approximately \$400,000 for the equipment or processing
5 equipment.

6 DELEGATE MARSHALL: Is the request
7 from the locality so the money would go to the locality to fund
8 this?

9 DELEGATE WRIGHT: Maybe this should
10 be discussed in the Agribusiness.

11 DELEGATE MARSHALL: I know that
12 you're looking for my vote here.

13 MR. PFOHL: Yes, it would have to come
14 from an eligible applicant.

15 DR. BLACKWOOD: The request is for
16 \$400,000, I think the recommendation is fifty percent. If we
17 can get \$200,000.

18 MR. PFOHL: Yes. They'd have to go out
19 and pursue AFID and USDA.

20 DELEGATE WRIGHT: Any further
21 comments or questions? Do I hear a motion?

22 SENATOR STANLEY: I would make a
23 substitute motion and that is to accept the staff
24 recommendation with the contingency that they're saying
25 about incurring engineering costs and contingent about really

1 solidifying the funding stream including AFID. This matter is
2 perfect for AFID and I see we're going to use this money to
3 match. The Town of Farmville is putting up to \$250,000
4 match and use this portion of the match to reduce their
5 obligation. I don't see where the total funding, there's some
6 undetermined funding here. We need a million dollars so how
7 do we put it together and to borrow from Delegate Merricks'
8 statement, I don't know that the \$194 gets us there but I'd
9 like to have it all together. I don't think we should give this
10 money unless it's all together.

11 MS. CAPPS: As a point of clarification,
12 we did have two contingencies on that grant. One would be
13 for the engineering and the second contingency related to
14 securing the money for construction of the building. Wherever
15 they can make it happen.

16 DELEGATE WRIGHT: Do you want to
17 withdraw your original motion?

18 SENATOR STANLEY: Very concerned
19 about the funding stream.

20 DELEGATE WRIGHT: I think your point
21 is well-taken.

22 DELEGATE MARSHALL: Do we have a
23 second?

24 MR. CANNON: Second.

25 DELEGATE WRIGHT: We had two

1 seconds. But at this time we'll vote on the motion, which has
2 been seconded. All those in favor say aye. (Ayes.) Opposed,
3 no? (No response.) The motion carries.

4 That takes care of all the proposals and
5 now we come to the agenda entitled other business.

6 MS. CAPPs: We have three other
7 business items. The first one is for Brunswick County, the
8 Byways Visitor Center request for an extension. This was
9 awarded in October of 2010 to support costs for building
10 renovations and site improvements, exhibit design and
11 signage for a new full-service visitor center on Highway 26.
12 The project has had delays and changes that VDOT proposed
13 and related to the review requirements and additional tests
14 and studies that were required. The reason VDOT is involved
15 is that the Commission's grant is being matched by over
16 \$600,000 in funding through the National Scenic Byways
17 Project Grant that VDOT administers. They have provided a
18 revised construction schedule, which will be completed by
19 July of 2016 and we recommend an extension through June
20 30th, 2016.

21 DELEGATE WRIGHT: Does everybody
22 understand the request? Any questions or comments?

23 MS. CARTER: It looks like to me that
24 this has taken a long time. I'm familiar with the building. It
25 must be taking an awful long time to get this up and running.

1 When you have a request like this, does staff go out and look
2 at the buildings and assess what it's all about or what it's
3 physically all about?

4 MS. CAPPs: Yes, this project we did a
5 site visit in March of this year and we saw the current
6 condition of the building and viewed the site development plan
7 that were already developed for the property. The need for the
8 extension here is completely based on external reasons. A lot
9 of projects we have seen that have the VDOT requirements,
10 there are a lot of extra requirements and VDOT has to approve
11 these at each stage. Some of these delays are beyond the
12 control of the applicant. We have Southside representatives
13 here and they're administering that grant.

14 MR. PFOHL: In particular, the Federal
15 Highway Administration design review process, it's extremely
16 likely on the scenic byways.

17 DELEGATE WRIGHT: Let me just say
18 that I think that you raise a good point. In the proposal here,
19 I see that the project is matched by \$638,000 from the Scenic
20 Byways Grant from the Virginia Department of Transportation
21 and the county has contributed as well. We need to send a
22 strong message to see that this moves along. Hopefully, that
23 will get to all the people involved. Any further questions?

24 MS. CARTER: Does the grant from
25 Scenic Byways, do they have to ask for an extension as well?

1 MS. MOODY: I'm Gail Moody from the
2 Southside Planning District. Our office is assisting Brunswick
3 County with the administration of this particular project.

4 MS. CARTER: The Scenic Byways Grant
5 will that be –

6 MS. MOODY: It's very difficult project to
7 administer inasmuch as the regulations from VDOT and
8 capitol transportation. This is the only Byways project that
9 was funded in the state of Virginia and will probably be the
10 last project.

11 MS. CARTER: There's no expiration date
12 on this grant?

13 MS. MOODY: Usually they give them
14 from five to eight years to administer the project.

15 MS. CAPPS: There is a possibility
16 construction will be completed at the end of 2015 but the PC
17 in the county wanted to build in additional time for any
18 further anticipated delays.

19 DELEGATE WRIGHT: Any further
20 questions or comments?

21 MR. OWENS: I move that we approve the
22 staff recommendation for an extension.

23 DELEGATE WRIGHT: We have a motion
24 and a second to accept the staff recommendation for an
25 extension of this project. All in favor say aye. (Ayes.)

1 Opposed, no? (No response.) The motion carries.

2 MS. CAPPs: The next project other
3 business is from Pittsylvania County the Berry Hill Regional
4 Mega Park supporting Water Infrastructure #2198.
5 Pittsylvania County is requesting a one-year extension and
6 this project is supporting the water system engineering of the
7 Berry Hill Industrial Park. Certain aspects of the project have
8 been completed and there's some engineering that has not
9 been completed. There is a number of reasons for the delay;
10 one being a prospect that the county had for the industrial
11 park that they changed the plans for water engineering. The
12 engineering firm has indicated that they can complete this
13 work in a year. Staff is recommending a one-year extension to
14 October 31st, 2015.

15 DELEGATE WRIGHT: Any questions?
16 Delegate Marshall?

17 DELEGATE MARSHALL: To the staff, is
18 there a limit on the number of extensions a grantee can get?

19 MR. PFOHL: It's not a hard and fast rule.
20 The normal time period is three years from the date of
21 approval but the Executive Committee authorized the
22 Executive Director to approve extensions through the fourth
23 year from date of approval but anything before the fourth
24 anniversary has to come back to the Committee that made the
25 recommendation.

1 DELEGATE MARSHALL: The previous
2 one was extended to June 30, 2016, we're sending this one to
3 2015. I'm just curious why.

4 MS. CAPP: The recommendations for
5 the extension are based on the supporting materials or the
6 support materials needed.

7 DELEGATE MARSHALL: The real
8 problem is that the customer didn't show up and but the real
9 problem is the Corps of Engineers and hopefully
10 Congressman Hurt will address the chamber in Danville and
11 said I'm going to try to rein their authority in, I hope that
12 works. I'm not sure on October 2015, we won't be back here
13 again next year at no fault of Pittsylvania County. It's the
14 overaggressive Corps of Engineers.

15 MS. CAPP: Let me clarify that delay
16 with the Corps of Engineers do not affect the ability for
17 Dewberry and Davis to do the engineering. It's more of the
18 Dewberry capacity and then they deal with the Corps of
19 Engineers and that results in less staff capacity to do the work
20 considering other priorities. The Corps permitting issue does
21 not impact the ability to do the design work.

22 DELEGATE WRIGHT: It's still a good
23 point. We need to take a real hard look at these and make
24 sure that we just don't unnecessarily extend them. I've got a
25 motion and a second to accept the recommendation. All in

1 favor say aye. (Ayes.) Opposed, no? (No response.) And that
2 motion carries. It is extended to October 31st, 2015.

3 MS. CAPPs: The last item is Halifax
4 County IDA Riverstone extension grant #1724. This project is
5 requesting an extension and the original grant was \$2 million
6 and was awarded money in October of 2008. The majority of
7 the work under the original scope has been completed. The
8 project did include a component for electric power engineering
9 so \$400,000 was committed for Dominion to do the
10 engineering and permitting for the new electrical transmission
11 lines. That component of the project has not been completed.
12 Your Committee approved an extension through October of
13 2014 back in May of 2012. The reason for that was related to
14 the Corps of Engineers. I might also say that there's other
15 routes that have caused additional delay. The best route
16 option, Route N from the west has been identified. Remaining
17 grant funds are intended to support costs to survey the routes
18 path and make final adjustments to the alignment and to
19 generated construction design. However, the survey work is
20 currently on hold until Dominion has received permission
21 from the landowners to access the land, which the IDA noted
22 will be easier to accomplish when they have a prospect that
23 needs redundant power. The IDA is currently in early stages
24 of negotiations with such a prospect and is expected to know
25 more by the end of February 2015.

1 DELEGATE WRIGHT: Any questions or
2 comments?

3 MR. CANNON: I make a motion to accept
4 the staff recommendation for the extension approval until
5 October 31st, 2015.

6 DELEGATE WRIGHT: We have a motion
7 and a second to accept the staff recommendation and approve
8 the extension through October 31st, 2015. All in favor say aye.
9 (Ayes.) Opposed, no? (No response.)

10 All right, are there any comments from
11 the public, anyone in the audience like to make a comment?
12 If not, then we're adjourned.

13

14 PROCEEDINGS CONCLUDED.

15

16

17

18

19

20

21

22

23

24

25

1 CERTIFICATE OF THE COURT REPORTER

2

3 I, Medford W. Howard, Registered Professional

4 Reporter and Notary Public for the State of Virginia at large,

5 do hereby certify that I was the court reporter who took down

6 and transcribed the proceedings of the **Virginia Tobacco**

7 **Indemnification and Community Revitalization**

8 **Commission Southside Economic Development**

9 **Committee meeting when held on Wednesday, December**

10 **17, 2014 at 10:30 a.m. at the Hotel Roanoke and**

11 **Conference Center, Roanoke, Virginia.**

12 I further certify this is a true and accurate

13 transcript, to the best of my ability to hear and understand

14 the proceedings.

15 Given under my hand this 27th day of

16 December, 2014.

17

18 _____

19 Medford W. Howard

20 Registered Professional Reporter

21 Notary Public for the State of Virginia at Large

22

23 My Commission Expires: October 31, 2018.

24 Notary Registration Number: 224566